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9

10   UNITED STATES DISTRICT COURT

11   NORTHERN DISTRICT OF CALIFORNIA

12   SAN FRANCISCO DIVISION

13

14   GOR GEVORKYAN, on behalf of himself and   Case No. 3:18-cv-07004-JD
     all others similarly situated,
15   **DECLARATION OF LUYAO LIU IN**
                         Plaintiff,   **SUPPORT OF PLAINTIFF'S**
16   **ADMINISTRATIVE MOTION TO**
            v.   **FILE UNDER SEAL**
17
     BITMAIN, INC., BITMAIN
18   TECHNOLOGIES, LTD., and DOES 1 to 10,

19   Defendants,

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I, Luyao Liu, declare as follows:

1.   I was the Investment Director of Defendant Bitmain Technologies, Ltd. ("Bitmain HK") and am currently the Chief Financial Officer. I am over the age of 18 and make this declaration of my own personal knowledge, and, if called as a witness, I could and would testify competently to the facts stated herein.

2.   As Chief Financial Officer, I am familiar with Bitmain HK's operations and procedures, including what information the company considers sensitive or confidential.

3.   This declaration is made in support of Plaintiff's Administrative Motion to File under Seal. In support of his Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss, Plaintiff attaches two documents that contain trade secrets and other competitively sensitive information, which warrants that they be placed under seal in the court's records.

4.   Plaintiff's Exhibit 2 (Bitmain sales figures) contains detailed unit sales and revenue figures for each Bitmain ASIC model, both globally and specifically for California. These data were designated "Confidential" under the Protective Order in effect in this case. Bitmain HK considers this information to be valuable proprietary information and trade secrets, and takes reasonable steps to maintain it as confidential. This information is retained in a secure manner and is distributed only with confidentiality designations. Access to this information is limited to only particular individuals. The information is economically valuable and competitively sensitive and, if publicly disclosed, would materially harm the position of Bitmain HK and its affiliates in the competitive marketplace. If these revenue and sales were disclosed to Bitmain HK's competitors, they would unfairly obtain otherwise confidential information about global sales strategies and sales performance and could discern, by product and by region, which Bitmain products are bestsellers. With this information, those competitors could, for example, adjust their pricing, marketing and sales efforts, and product lines. Also, by comparing these revenue data to units sold for each product, competitors could unfairly gain insight into pricing strategy for each product, by region.
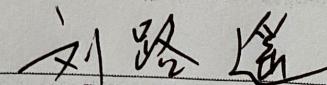
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5.   Plaintiff's Exhibit 13 is a Services Agreement between Bitmain HK and Bitmain Inc., which details the confidential business arrangement between the two companies. This document was designated "Confidential" under the Protective Order in effect in this case. As Bitmain HK has previously explained to this Court, Bitmain Inc. is a research-and-development entity and sister company to Bitmain HK. This Services Agreement details the research and development activities to be conducted by Bitmain Inc., what Bitmain HK has paid Bitmain Inc. for that research-and-development work, the distribution of intellectual property and other rights among the two companies, and generally the operations and business strategies of the two companies. Bitmain HK considers the terms and specific arrangements set forth in this document to be valuable proprietary information and trade secrets, and Bitmain HK and Bitmain Inc. take reasonable steps to maintain that information as confidential. This information is retained in a secure manner and is distributed only with confidentiality designations. Access to this information is limited to only particular individuals. The information is economically valuable and competitively sensitive and, if publicly disclosed, would materially harm the position of Bitmain HK and its affiliates in the competitive marketplace. The Services Agreement would unfairly provide competitors with insight into the manner in which Bitmain HK has relied on other entities for research and development, how technologies and products are developed, and the cost structure for such research and development work. This information is not publicly available and would unfairly advantage competitors if disclosed. With such information, those competitors could replicate Bitmain HK's research and development processes, gain efficiencies, and potentially reduce costs to more aggressively compete with Bitmain HK and its affiliates.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 15th day of June, 2020, at Beijing, China.

By: _____
Luyao Liu

DECL. ISO ADMIN. MOT. TO
FILE UNDER SEAL
CASE NO. 3:18-CV-07004-JD

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